

OGC Has Reviewed

**SECRET**

27 October 1948

The Director

Assistant Director for Special Operations

Formalizing [REDACTED]

1. The subject matter of this memorandum arises from the granting of allowances pursuant to Bureau of the Budget Circular A-8, as implemented for Agency purposes, by [REDACTED] [REDACTED] dated 25 October 1947, and [REDACTED]

2. a. [REDACTED] provides allowances for quarters, cost of living, or special foreign living allowances to employees having a permanent station in a foreign country, in accordance with the provisions of Bureau of the Budget Circular A-8, Parts A and B. [REDACTED] as classified employees, for the purpose of this memorandum as follows:

Group 1.

- (1) Employees in grades CAF-13 or P-6 or above who are not directly subordinate to Washington, D.C.
- (2) Employees in grades CAF-9 or P-3 and above who are not covered by Group 2.

Group 4.

All other employees in grades under CAF-9 or P-3.

b. Circular A-8 provides for eligibility to Group 3 on the basis of an employee's technical and professional status, and his not being directly subordinate to his department in Washington.

3. Although the characteristic of technical and professional status was emphasized in the preceding [REDACTED] dated 31 October 1946, it was omitted in the Administrative Instruction under consideration and was published as indicated in paragraph 2 (a) above. The reason for its insertion in the preceding Administrative Instruction was to take cognizance of certain high cost of living areas where technical and professional personnel were stationed. The high cost of living areas involved were and continue to be:

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4. It was recognized that the economic conditions in the areas of the Middle East Communications network presented a problem which might impair the operational continuity of the network. An inspection team armed with alternative methods of considering the problem was sent to the Middle East area for the purpose of investigating and recommending such action as circumstances might dictate, subject to administrative approval and implementation by ADBS. Said team reported and recommended that the method which was later to be incorporated as part of [ ] would probably eliminate the difficulty. [ ] was issued by ADBS and provided for a reclassification of EMEF personnel from Group 4 to Group 3 quarters allowances. The method recommended by the inspection team to solve the problem.

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5. This method was chosen because of its consistency with the provisions of Bureau of the Budget Circular A-8, Part A, which provides that technical and professional experts not directly subordinate to their departments in Washington, and junior technical experts, are eligible for Group 3 quarters allowances.

6. This office has had occasion to review the case and consider that confirmatory action should be taken to perfect the record and clothe the form of administrative implementation furnished by [ ] in a more official character, since a substantial part of the above proceedings are not a matter of record.

7. It is the opinion of this office that your confirmation of the facts contained herein, by signing this memorandum in the space provided below, will provide a more satisfactory record.

[ ]

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**CONFIRMED:**

151 R. H. Hillekoetter  
**DIRECTOR**

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General Counsel: [ ] :mes

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